

## WISCONSIN MEDICAID COST REPORT FOR INDEPENDENT AND PROVIDER-BASED (AFFILIATED HOSPITAL HAVING MORE THAN 50 BEDS) RURAL HEALTH CLINICS COMPLETION INSTRUCTIONS

Wisconsin Medicaid requires certain information to enable Medicaid to certify providers and to authorize and pay for medical services provided to eligible recipients.

Personally identifiable information about Medicaid providers is used for purposes directly related to Medicaid administration such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place.

**INSTRUCTIONS:** Wisconsin Medicaid-certified rural health clinics (RHCs) interested in receiving a cost settlement for services rendered to Wisconsin Medicaid recipients for a given calendar/fiscal year are required to file a cost report with the Division of Health Care Financing's RHC Auditor.

Cost reports may be filed at any time within the subsequent calendar/fiscal year for prior year activity. Cost settlements are only calculated and executed 365 days after the last date of service (DOS) for a given calendar/fiscal year by Wisconsin Medicaid. Quarterly cost reports may be filed during the current year to streamline cash flow.

Quarterly payments made by Wisconsin Medicaid to RHCs are subjected to recoupment at the time of settlement calculation if the sum of payments exceeds the annual cost settlement calculation. Rural health clinics are encouraged to be conservative in their quarterly requests.

### SECTION I — PROVIDER INFORMATION

This section requires the following information from the provider:

- Facility name.
- Rural health clinic provider's Medicaid provider number.
- Date span of the reporting period.

### SECTION II — DETERMINATION OF RURAL HEALTH CLINIC ENCOUNTER RATE

The Medicare upper allowable cost rate should be used for each calendar year. For fiscal years spanning two calendar periods, the relevant calendar year upper allowable cost should be prorated between the fiscal year time frames.

The Health Personnel Shortage Area (HPSA) bonus, up to a maximum of 10 percent, is determined by the percentage of Wisconsin Medicaid recipients living within a Wisconsin Medicaid-specified HPSA area seen by the RHC. For *Wisconsin Medicaid and BadgerCare Update* information regarding HPSA areas, visit the Wisconsin Medicaid Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

### SECTION III — COST SETTLEMENT CALCULATION — MEDICAID-ONLY ENCOUNTERS

This section determines the interim cost settlement due to the RHC based on Medicaid covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate minus any fee-for-service or HMO reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

### SECTION IV — COST SETTLEMENT CALCULATION — MEDICARE / MEDICAID CROSSOVER ENCOUNTERS

This section determines the interim cost settlement due to the RHC based on the Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate less the prorated Medicare reimbursable costs (per filed Medicare Cost Report) and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

### SECTION V — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS

This section determines the interim cost settlement due to the RHC based on commercial insurance and Medicaid covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or the amount billed for the encounter, less any fee-for-service, HMO, and commercial insurance reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

## **SECTION VI — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the commercial insurance/Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter, less the averaged Medicare reimbursable costs and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

## **SECTION VII — COST SETTLEMENT DETERMINATION FOR RURAL HEALTH CLINIC**

Calculates the actual cost settlement due to the RHC. The interim calculated settlement amounts for each section are listed minus the relevant copayments that could have been collected and quarterly interim payments made by Wisconsin Medicaid to the RHC.

The balance due is then tendered via a Remittance and Status Report statement to the RHC.